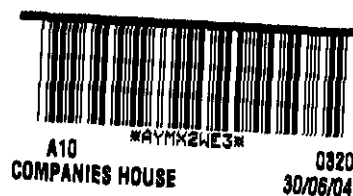


Manchester Islamic Educational Trust Limited

Charity No: 1073862

Directors and Trustees Report and Accounts

For the year ended 31 August 2003



Manchester Islamic Educational Trust Limited

C O N T E N T S

	<u>Page</u>
Legal and administrative Information	1
Report of the Trustees and Directors	2 - 3
Report of the Auditors	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Accounts	7 - 10

Manchester Islamic Educational Trust Limited

Charity Information

Trustees / Directors

Mr Abdul - Aziz Shaik
Maulana Habib - Ur - Rahman
Mr Paul Barnes
Mr Nasar Mahmood
Mr Imad Al-Salam
Dr Haytham Al - Khaffaf
Mr Mohammad Al - Qallaf
Dr Abdullah Al - Majid
Mr Salim Al - Astewani
Mr Abdul Kadir Kawooya
Mr Farroukh Zaheer

Charity Number

1073862

Charity and registered Office

Hartley Hall
Alexandra Road South
MANCHESTER
M16 8NH

Auditors

Edmondson & Co
170a London Road
Hazel Grove
STOCKPORT
SK7 4DJ

Bankers

Bank of Ireland
John Dalton Street
MANCHESTER
M2 6BN

Company Number

3544402

MANCHESTER ISLAMIC EDUCATIONAL TRUST Limited.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2003

The Trustees present their annual report and the audited financial statements for the year ended 31 August 2003. The Trustees have adopted the provisions of the statement of recommended practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the above Charity.

Trustees:

The Trustees listed on page 1 have served throughout the year. The procedure for appointment and removal is detailed in the memorandum and articles of association of the Trust. The Board of Trustees may appoint a Trustee during the year to fill a casual vacancy to serve a probationary period of six months. Subject to satisfactory outcome of the probation then a permanent trusteeship is offered. There has not been any new appointment or resignation of trustees during the year.

Investment Power:

The Board of Trustees is authorised to make and hold investments using the general funds of the above Charity. However, no such investments are presently held.

Constitution and Objectives

The charity is constituted as a company by guarantee and is therefore governed by a memorandum and articles of association. The objective of the trust is the advancement of education generally and Islamic Education in particular in the United Kingdom and to provide and maintain schools in the United Kingdom for the teaching and education of young persons in the doctrines and practice of the Islamic faith and Arabic language.

The policy of the Charitable Trust continues to seek additional funds to continue maintaining and expanding the existing Islamic schools throughout the year and to establish further Islamic Schools as and when funds permit.

Developments, activities and achievement:

The Trustees consider that the performance of the Trust through the year has been most satisfactory. The Manchester Islamic High School for Girls has throughout the year provided high academic achievements in school league tables. GCSE statistics were again 92% pass rate (A*-C), which were recorded in the press. In addition, KD Grammar School for Boys has throughout the year provided high academic achievements in school league tables. Their first GCSE statistics were 95% pass rate (A*-C), which were also recorded in the press. Both schools are progressing satisfactorily and have gained more pupils during the year with a steady income from fees.

Both schools separately organised their Presentation evening at Stockport Town Hall to celebrate the success of the Girls and Boys GCSE achievements for the previous academic year. The evenings were well attended by the community. Various dignitaries were invited from the community and the evenings proved to be a great success. Due to the academic success of the schools the Trust is now able to charge higher fees which in turn enable the trust to improve school facilities, offer better salaries to our staff and reduce our reliance on voluntary donations.

Risks Management:

The Trust has maintained the highest standards of Health and Safety across the schools as to provide and maintain safe and healthy conditions, equipment and systems of work for all employees, pupils and other individuals who are in any way affected by the facilities and activities of the schools. Moreover, parents need above all other considerations, reassurance that a school has health and safety arrangements.

The Trust has maintained its duty to undertake a range of workplace assessments to ensure that hazards are being properly identified and appropriate protective measures instituted as to assist in minimising the possibility of loss from risks. To this effect they may nominate their staff to co-ordinate on this issue. Coherent planning should seek to guide departments' efforts to deal with priority issues and ensure that resources are utilised effectively and fully. It is necessary to periodically review the performance of the systems implemented.

In addition identified risks such as premises damage, equipments, fire, accidents which may occur, are protected under a proper annual insurance cover.

Manchester Islamic Educational Trust Limited

Trustees Report for the year ending 31 August 2003

continued ...

Financial Review and Future Developments:

The financial situation of the Trust continues to be satisfactory. The present level of funding is adequate to support the continuation of the two high schools and the Trustees consider the financial position of the charity to be satisfactory. In addition, the Trustees plan to equip and improve the facilities at the schools

Statement of Trustees' Responsibilities:

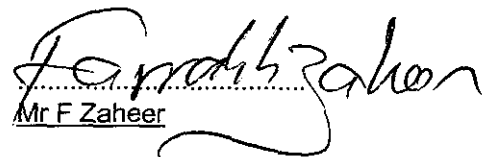
The Trustees are required by law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity's activities during the year and the financial position at the end of the year. In preparing those financial statements the trustees are required to:

- A. Select suitable accounting policies and apply them where appropriate.
- B. Make judgment and estimates that are reasonable and prudent.
- C. State whether applicable standard and statements of recommended practice have been followed, subject to any departures, disclosed and explained in the financial statement.
- D. Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the above Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence taking responsible steps for the prevention and detection of fraud and other irregularities (if any)

Approval

This report was approved by the Trustees on 16th/06/04 and signed on their behalf.


Mr F Zaheer

Manchester Islamic Educational Trust Limited

Report of the Independent Auditors to the Directors and Trustees of

Manchester Islamic Educational Trust Limited

We have audited the financial statements of Manchester Islamic Educational Trust Limited for the year ended 31 August 2003 set out on pages 2-10 which comprise the statement of financial activities, Balance Sheet and notes to the accounts. These financial statements have been prepared in accordance with the financial reporting standard for smaller entities (effective June 2002) under the historical cost convention and the accounting policies set out therein

Respective responsibilities of trustees and auditors

As described on page 1 of the charity's trustees who are also the directors of Manchester Islamic Educational Trust Limited for the purposes of company law are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you, if in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees and consider implications of our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


.....

Edmondson & Co
Chartered Accountants and Registered Auditors
170A London Road
Hazel Grove
Stockport
Cheshire
SK7 4DJ

29 June 2004

Manchester Islamic Educational Trust Limited

Statement of Financial Activities
for the year ended 31 August 2003

	<u>Notes</u>	<u>Restricted</u> <u>funds</u> <u>2003</u>	<u>Unrestricted</u> <u>Funds</u> <u>2003</u>	<u>Unrestricted</u> <u>Funds</u> <u>2002</u>
<u>Incoming Resources</u>			<u>£</u>	<u>£</u>
Donations raised through fund raising		14845	65204	47707
School Fees		---	1118591	965378
Rent Received and hire of facilities		---	45581	12655
Books & Misc Sales		---	48281	72001
Total Incoming Resources		<u>14845</u>	<u>1277657</u>	<u>1097741</u>
<u>Resources Expended</u>				
<u>Cost of Generating Funds</u>				
Travel Expenses			638	2463
External fund raising			2668	---
<u>Charitable</u>				
Educational	2	14845	1144237	893055
Establishment	3	---	103311	111102
Management and Administration	4	---	55285	47471
Depreciation	5	---	21326	14682
TOTAL Expenditure		<u>14845</u>	<u>1327465</u>	<u>1066310</u>
Net Movement in Funds for the Year		---	(49808)	28968
Total Funds Brought forward		---	28166	(802)
Total Funds Carried Forward		<u>---</u>	<u>(21642)</u>	<u>28166</u>

The notes on pages 7-10 form part of the accounts

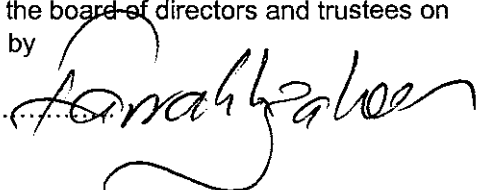
Manchester Islamic Educational Trust Limited

Balance Sheet as at 31 August 2003

<u>2002</u>		<u>Notes</u>	<u>2003</u>
	<u>Fixed Assets</u>		<u>£</u>
83703	Tangible Assets for use by the Charity	5	119306
	<u>Current Assets</u>		
21589	Debtors	7	15545
62155	Cash at Bank and in Hand		36760
<u>83744</u>			<u>52305</u>
	<u>Current Liabilities</u>		
<u>139281</u>	Creditors - Amount falling due more than one year	8	<u>193253</u>
(55537)	Net Current Assets (Liabilities)		(140948)
<u>28166</u>	Total Assets Less Current (Liabilities)		<u>(21642)</u>
	<u>Capital</u>		
<u>28166</u>	Unrestricted Funds		<u>(21642)</u>

Approved by the board of directors and trustees on 16 June 2004 and signed
on its behalf by

.....
Mr F Zaheer



Manchester Islamic Educational Trust Limited

Notes to the Accounts for the year ended 31 August 2003

1 Accounting Policies

1.1 Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and include the results of the Charity's operations which are described in the Trustee's Report and all of which are continuing.

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Accountancy and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985

The Charity has taken advantage of the exemption in Financial Reporting Standards No 1 from the requirements to produce a cashflow statement on the grounds that it qualifies as a small Charity.

1.2 Tangible Fixed Assets for use by the Charity and Depreciation

Tangible Fixed Assets for use by the Charity are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of valuation fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Equipment	15% Reducing Balance Basis
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1.3 Income

Voluntary income and donations are accounted for as received by the charity. The income from fund raising ventures is shown gross, with the associated costs included in the relevant costs in the Statement of Financial Activities.

1.4 Value Added Tax

Value added tax is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

1.5 Fund Raising Costs

Fund raising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special fund raising events.

1.6 Management and Administration Expenditure

Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activities or fund raising ventures. This includes costs of renting and running office premises, staff salaries for administrative staff and audit fees.

1.7 Pension Costs

The charity maintain a stakeholder pension scheme to which the company does not contribute at present.

Manchester Islamic Educational Trust Limited

Schedule of Overheads/Administrative Expenses
for the year ended 31 August 2003

	<u>Restricted</u>	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>	<u>£</u>
2 <u>Educational</u>			
Books	14845	90629	59481
Staff Salaries and Temps		929997	736296
Training		27967	11261
GCSE Exam Fees		461	7007
Uniforms		6845	13340
Donations		83738	30927
School trips		1343	21610
Software Implementation		---	5725
School Fund Account		---	7370
Interest on PAYE		---	38
Pension		3257	---
	<u>14845</u>	<u>1144237</u>	<u>893055</u>
3 <u>Establishment</u>			
Telephone		8985	4209
Heat & Light		20364	10650
Rates & Water Rates		2729	4189
Repairs & Maintenance		9448	18740
Sundries, Cleaning & Waste Disposal		61374	36340
Alarm and Security		411	1974
Contributions to School running costs for K D Grammar School		---	35000
		<u>103311</u>	<u>111102</u>
4 <u>Administrative</u>			
Insurance		3636	3306
Accountancy & Book Keeping		4951	2462
Legal Charges		95	385
Bank Charges		428	1082
Subscriptions & Copyright		210	1242
Postage, Stationery & Printing		31361	17436
Advertising		8148	17065
Prizes and Awards		6456	4493
		<u>55285</u>	<u>47471</u>

Manchester Islamic Educational Trust Limited

Notes to the Accounts for the year ended 31 August 2003

5 Fixed Assets	<u>Improvements and refurbishment to Buildings</u>	<u>Equipment</u>	<u>Total</u>
Cost at 1 Sept 2002	40051	85659	125710
Additions	---	56929	56929
As at 31 August 2003	<u>40051</u>	<u>142588</u>	<u>182639</u>

Accumulated Depreciation

At 1 Sept 2002	14987	27020	42007
Charge for the Year	4005	17321	21326
At 31 August 2003	<u>18992</u>	<u>44341</u>	<u>63333</u>

Net Book Value

At 31 August 2003	<u>21059</u>	<u>98247</u>	<u>119306</u>
At 31 August 2002	<u>25064</u>	<u>58639</u>	<u>83703</u>

6 Costs

No Remuneration was paid to the trustees during the year.

7 Debtors

	<u>2003</u>	<u>2002</u>
	£	£
School Fees	8250	17033
Prepayments	7295	4556
	<u>15545</u>	<u>21589</u>

8 Current Liabilities

Deposits	66000	57500
Creditors & Accruals	127253	79325
Bank Overdraft	---	2456
	<u>193253</u>	<u>139281</u>

9 Staff Cost

	£	£
Wages and Salaries	929997	736296

The average monthly number of staff employed calculated in full time equivalent during the year was as follows

Direct charitable/educational	51	45
-------------------------------	----	----

No employees received remuneration of more than £50000

Manchester Islamic Educational Trust Limited

Notes to the Accounts for the year ended 31 August 2003

10 Donations

The donations paid during the year were paid to Manchester Islamic Schools Trust an associated charity by virtue of common trustees. (2002 nil)

11 Restricted Funds

Donations were received specifically to equip the library at the boys school.

12 Auditors Remuneration

<u>2003</u>	<u>2002</u>
900	850